



## *Montana Farm Service Agency Special Report:*

# **FSA Working Across Montana - FY 2005**

In keeping with the mission of the USDA Farm Service Agency (FSA) of providing a safe and affordable food supply, FSA in Montana issued more than \$405.1 million in program payments and loans to Montana farmers and ranchers during Fiscal Year 2005. These payments are from programs FSA in Montana administers or from programs created by special authority of Congress.

FSA, along with other government agencies contributed approximately 50 percent of the net farm income for Montana producers. Net farm income varies greatly due to climatic conditions.

### ***Price Support: \$23.7 million***

*Montana producers received \$23,666,230 in support during FY 2005 through the Lamb Meat Adjustment Assistance Program, loan deficiency payments, market gains, Milk Income Loss Contract Program and the Trade Adjustment Assistance Program. These programs help improve and promote the economic stability of agricultural communities and ensure equitable delivery of program benefits and services.*

**\$1,002,507 - Lamb Meat Adjustment Assistance** was a 4-year program that began in 2000 to help stabilize the lamb market and help producers compete with foreign competitors in the marketplace.

**\$20,857,296 - Loan Deficiency Payments (LDPs)** were made to producers who agreed to forgo a commodity loan in return for a payment on the eligible commodity. LDP provisions allow compensation when market prices are low, as long as the producer maintains beneficial interest in the commodity.

**\$21,328 - Milk Income Loss Contract Payments (MILC)** financially compensate dairy producers when domestic milk prices fall below a specified level.

**\$13,162 - The Trade Adjustment Assistance Program** provides cash payments, technical assistance, job training, and educational benefits to eligible producers when an increase in imports contributes to a decline in price, resulting in a drop in net farm or fishing income.

**\$1,771,937 - other price support programs**

### ***Conservation \$118.8 million***

*FSA has issued \$118,819,727 in payments to Montana's farmers and ranchers in conservation programs to conserve and improve soil, water, and wildlife resources.*

**\$117,677,689 - The Conservation Reserve Program** is USDA's single largest environmental improvements program as well as the most effective. It is a voluntary program providing financial incentives to producers who convert highly erodible cropland or environmentally sensitive acreage to long-term vegetative cover.

**\$783,328 - Emergency Conservation Program (ECP)** provides emergency funding and technical assistance for the rehabilitation of farmland damaged by natural disasters and for emergency water conservation measures in periods of severe drought.

**\$348,311 - The Wetlands Reserve Program** is a voluntary program that provides financial incentives to enhance wetlands in exchange for retiring marginal agricultural land.

**\$10,399 - other conservation programs.**

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***Production & Compliance: \$117.7 million***

***Producers received \$117,708,360 in benefits through programs such as the Direct and Counter-cyclical Program (DCP) and the Hard White Wheat Incentives Program (HWWIP).***

**\$117,361,365 - Direct and Counter Cyclical Program (DCP)** provides direct and counter-cyclical payments for the 2002-2007 crops. Counter-cyclical payments are made when the effective price for eligible commodities is less than the target price.

**\$346,995 - Hard White Wheat Incentives Program (HWWIP)** made available \$20 million for incentive payments based on production and certified seed planting for the 2003-2005 crops.

***Disaster Assistance: \$78.4 million***

***Producers received \$78,351,265 in disaster assistance programs during FY2005. These programs assisted producers in maintaining their viability during the extensive drought and other natural disasters.***

**\$66,552,674 - Crop Disaster Assistance Program (CDP)** helped compensate producers who suffered crop losses due to adverse weather and other natural disasters.

**\$3,874,895 - Livestock Assistance Program (LAP)** provided assistance for grazing losses.

**\$167,412 - American Indian Livestock Feed Program (AILFP)** provides feed assistance funds to livestock owners on tribal-governed lands. The funds issued were for the 2003 and 2004 production years.

**\$7,756,284 - Noninsured Crop Disaster Assistance Program (NAP)** covers crops for which crop insurance is not available.

***FSA Serving Montana Farmers and Ranchers***

The Farm Service Agency (FSA) is an agency under the United States Department of Agriculture. From the mountains in the west, to the plains in the east, FSA in Montana administers programs to serve a diverse agricultural community.

FSA had its inception in 1995 when the former agency, the Agricultural Stabilization and Conservation Service (ASCS) joined ranks with the agricultural lending programs of the former Farmers Home Administration (FmHA). Both of these agencies were born out of the dust-bowl legislation in the 1930's and 1940's enacted to provide financial assistance to farmers and ranchers.

Today, FSA continues to administer federal programs that provide incentives and compensate farmers and ranchers for protecting our natural resources.

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***Farm Loans: \$66.5 million***

*FSA made \$66,536,440 in direct and guaranteed farm operating loans, farm ownership loans, and emergency loans to Montana's eligible farmers and ranchers who are temporarily unable to obtain private or commercial credit. Portions of these funds went to the following specific groups:*

**\$191,450 - Youth Loan Program** provides youths the chance to learn how to manage a business and their finances. A \$5,000 limit is placed on this loan program.

**\$10,432,670 - Beginning Farmer and Rancher** loans are provided to borrowers who have not operated a farm or ranch for more than 10 years and will participate in the day-to-day operation of the farm or ranch .

**\$4,183,520 - Minority Producer** loans are provided to borrowers who are members of groups that have not always had access to FSA financing such as women, African-Americans, Native Americans, Asian Americans and Hispanics.

***Program Payments By County\* - \$332,440,185***

Beaverhead	\$2,083,485	Granite	\$66,025	Powell	\$315,919
Big Horn	\$6,771,935	Hill	\$22,311,021	Prairie	\$3,656,257
Blaine	\$12,308,372	Jefferson	\$270,795	Ravalli	\$141,178
Broadwater	\$3,097,885	Judith Basin	\$5,815,302	Richland	\$8,299,633
Carbon	\$2,220,923	Lake	\$1,454,837	Roosevelt	\$13,161,444
Carter	\$7,162,750	Lewis and Clark	\$998,163	Rosebud	\$5,080,188
Cascade	\$10,413,522	Liberty	\$12,003,786	Sanders	\$340,437
Chouteau	\$26,868,628	Lincoln	\$305	Sheridan	\$11,691,171
Custer	\$3,766,212	Madison	\$1,649,665	Silver Bow	\$15,457
Daniels	\$11,065,142	McCone	\$10,083,019	Stillwater	\$4,756,186
Dawson	\$8,948,008	Meagher	\$1,104,048	Sweet Grass	\$477,840
Deer Lodge	\$116,011	Mineral	\$20,681	Teton	\$15,722,838
Fallon	\$5,335,487	Missoula	\$107,181	Toole	\$13,824,563
Fergus	\$9,786,368	Musselshell	\$2,659,982	Treasure	\$1,176,849
Flathead	\$2,148,183	Park	\$896,693	Valley	\$14,615,437
Gallatin	\$3,288,989	Petroleum	\$1,359,423	Wheatland	\$3,522,417
Garfield	\$7,528,838	Phillips	\$9,992,377	Wibaux	\$3,785,658
Glacier	\$10,963,561	Pondera	\$13,117,161	Yellowstone	\$6,513,458
Golden Valley	\$3,435,448	Powder River	\$4,123,045		

\*Does not include farm loans.